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WHAT WOMEN CAN DO ABOUT MILK

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A radio interview between Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, broadcast Thursday, October 26, by the N. B. C. and a network of associated stations.

ANNOUNCER:

This afternoon you are going to hear one of the things the women can do to make the agricultural recovery program a success. In another of their radio talks Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration, and Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs, will discuss a program for the women to help consumers meet the rising tide of prices and aid the farmers to attain parity in purchasing power. I take pleasure in presenting Miss Jaffray.

MISS JAFFRAY:

Dr. Howe, I think it is time to get down to the question of what the women can do to help the agricultural recovery program.

DR. HOWE:

That's good. And they can do a lot, Miss Jaffray. As consumers, they have a real service to perform.

MISS JAFFRAY:

I agree with you. I feel that they should have a definite program setting out the things they can and should do.

DR. HOWE:

It would be splendid to have such a program. As purchasing agents for the family, women represent the large mass of consumers. They can demand fair prices and get them.

MISS JAFFRAY:

I believe with the right program to guide them the women of the country will do 100 percent teamwork to put it over. Such a program, I feel, should have one big objective and that is closer cooperation between the city consumers and the farmers.

DR. HOWE:

That's fine, Miss Jaffray. If our talks have given the city consumers an understanding of the farmer's problems and made clear that the prosperity of the one depends upon the prosperity of the other, they have been of value, if they have done nothing else.

MISS JAFFRAY:

The responses I receive make me feel that the women of the country do understand that the success of our national recovery program depends on restoring the farmer's purchasing power. That is why I am so confident that they will give wholehearted support to any program pointing out to them things they can do to help along agricultural recovery.

DR. HOWE:

That's encouraging! The farmer only wants fair prices for his products. The women can help him get them. Bear in mind that you will benefit yourselves and all other consumers by helping him.

MISS JAFFRAY:

We want to help him. Now this program which suggests things for the women to do---the first thing on such a program I think should be milk. The women should start by looking into the milk situation in their community.

DR. HOWE:

The health of children depends on an adequate milk supply. Milk should be the first and most important subject in a program for the women. Certainly it concerns the mothers more than any other food.

MISS JAFFRAY:

What I have in mind is to have organized groups of women in each community get together and select a representative committee to go into the whole question of milk. Please suggest, Dr. Howe, some of the things such a committee could do.

DR. HOWE:

Let's start at the question of price. Are the consumers being charged too much? Are the farmers who supply the milk getting a fair price for it? If the price to the consumers is too high, who is getting the excessive profits? To get at these questions properly a committee such as you have in mind should go to the milk distributing companies and ask how much they pay the farmers for their milk. It would be an easy matter to check up with the farmers on the figures given by the distributors. The spread or difference between the price per quart which the distributors pay the farmers and the price they charge the consumers represents the gross income per quart received by the distributors. If you knew the overhead expenses of the distributors, their labor and operating costs, you could deduct them from this gross income and find out the clear profit made by the distributors on every quart they sell.

MISS JAFFRAY:

But even then how would you know whether the price to the consumers was too high and whether the distributors were making excessive profits?

DR. HOWE:

After you find out the gross income that goes to the distributor, compare it with the gross income made by distributors in other cities comparable to your city in size.

MISS JAFFRAY:

To make it clearer, let us say a committee of women investigating milk prices found that the distributors in their city were paying farmers only 4 cents a quart and were charging the consumers 11 cents a quart. In other cities of a similar size they found that the farmers were being paid the same price for their milk, that is, 4¢ a quart, but the distributors were charging the consumers only 9 cents a quart. They would be justified wouldn't they, in stating that 11 cents a quart was too high?

DR. HOWE:

That might be true. The distributors in their city would be making 7 cents gross spread per quart against 5 cents in the other cities. In cities like New York and Chicago the distribution problem is more complex naturally than it is in cities of smaller size yet you will find consumers in cities with less population than Chicago paying higher prices for milk than Chicago consumers. But of course you must bear in mind differences in labor and operating costs as between different communities. Farm prices are not always the same.

MISS JAFFRAY:

What happens to the farmer's milk after it gets into the hands of the distributor?

DR. HOWE:

Before we get to that, it has to be hauled from the farm, sometimes by train, sometimes by truck. Then it is tested, clarified and pasteurized at the distributing plant, then bottled and sent out for delivery to customers.

MISS JAFFRAY:

It seems to me, Dr. Howe, that one of the things that would be looked into is this matter of grades for milk. A committee of women investigating the milk situation ought to find out why there is Grade A, Grade B, and all the other different grades. In some cities, I am told there are three or four different grades.

DR. HOWE:

I know of one city where 7 grades are sold.

MISS JAFFRAY:

Seven grades! Why, how can there be so many different grades?

DR. HOWE:

Probably in some cases the same quality of milk is sold at different prices to the consumers. You can see the advantage to the dealer of selling Grade C milk, let us say, at a higher price to consumers than Grade D although it is actually the same kind of milk as Grade D.

MISS JAFFRAY:

I call that racketeering.

DR. HOWE:

Well, we use different names for things, Miss Jaffray, but consumers do stand a lot of punishment.

MISS JAFFRAY:

As I understand it, milk of the highest grade is the lowest in bacterial contents and the highest in percentage of butterfat.

DR. HOWE:

That's correct.

MISS JAFFRAY:

The farmer has to go to extra expense doesn't he, to put out milk of this high grade?

DR. HOWE:

He does. Besides taking extra precautions in cleanliness he must have the right kind of utensils. The milk must be cooled immediately. He must have special refrigeration equipment for this, unless he is fortunate enough to have a cool well or spring. He is paid, of course, a higher price for this high grade of milk than for his other milk.

MISS JAFFRAY:

He is entitled to a higher price to make up for the extra cost, but what I don't understand is why the distributors tack on an extra charge to consumers, in addition to the extra price they pay the farmer for this grade. In other words, when I buy Grade A or whatever the first grade is termed, I don't see why I should pay a cent more for it than the extra charge the farmer adds to his price in order to make up for the extra expense of putting it out. I don't see that my distributor goes to any extra expense in handling it. All milk handled in this plant goes through the same processes, tested, clarified and pasteurized. This first grade of milk isn't handled any differently. It doesn't cost any more to distribute high grade than low grade milk since it is distributed along with all the other milk. It looks to me that distributors who charge more for this first grade of milk than the extra price they pay the farmers for it are gouging the consumers.

DR. HOWE:

That's another thing for the women to look into.

MISS JAFFRAY:

We certainly should. Another thing, how do we know we are getting our money's worth when we pay more for this first grade of milk? The bottle is merely labeled Grade A or whatever grade term is used to define the highest grade. For all we know we are not getting any better grade of milk than Grade B or any other lower grade. I think the women in every community should insist that bottles of graded milk should have labels telling the consumer

exactly the bacterial contents and butterfat percentage of the milk.

DR. HOWE:

That is an excellent idea. Everyone should know exactly what he pays for.

MISS JAFFRAY:

Another thing that should be looked into is the price of cream. In a lot of places a half pint of cream costs 5 cents more than a quart of milk. That seems to me too high.

DR. HOWE:

The old rule at calculation was that a half pint of cream was equivalent to a quart of milk. That would mean a half pint of cream should not cost more than a quart of milk. Some experts tell me it is still a good rule.

MISS JAFFRAY:

If that rule was followed, then in a city where milk was selling at 13 cents a quart, a half pint of cream shouldn't cost more than 13 cents.

DR. HOWE:

In Milwaukee, for instance, consumers pay 9 cents a quart for milk and 10 cents for a half pint of cream. That seems a fair price in relation to the milk price. Of course, in speaking about prices we can't get a fair picture unless we know the facts. Whether, for instance, the distributor is tacking on an extra cent or more than is necessary.

MISS JAFFRAY:

Dr. Howe, aren't there different methods of buying milk from the farmers for distribution to the consumers?

DR. HOWE:

The one most generally used is the base-surplus price plan. Under this plan the farmer contracts to deliver to the distributor so many gallons of fluid milk. By fluid milk is meant the milk that is bottled and sold to consumers. For all surplus milk, in excess of the definite or basic quantity the farmer contracts to deliver to the distributor, he receives a lower price. Cream under this plan is classified as surplus milk. A lower price is paid for it by the distributor than for the fluid milk he bottles and delivers to the consumers. The balance of the farmer's surplus milk is also sold to the distributor at a lower price to be used for manufacturing butter, cheese and similar products.

MISS JAFFRAY:

Do you mean the distributor pays less for milk used for cream than for the bottled milk he sells consumers?

DR. HOWE:

He does in many instances.

MISS JAFFRAY:

Then, the consumers are being charged excessive prices for cream.

DR. HOWE:

That is true in some places. I think cream prices would be an interesting subject for you women to look into.

MISS JAFFRAY:

Is the farmer assured a fair price for his milk production under the plan you have described?

DR. HOWE:

One of the chief complaints of dairy farmers selling their milk under the base surplus price plan is that they have no way of knowing whether distributors really use the surplus milk paid for at low prices to manufacture into butter and other products, or whether they sell it to the consumers at bottled prices. In other words, some farmers think the unscrupulous distributor buying surplus milk at a lower price than fluid milk sells it to the consumer as fluid milk, thus cheating the farmer out of the extra money he would have received had it been purchased from him at fluid milk prices. Wherever the farmers are represented by strong farmer cooperative organizations, they are able to keep a check on what the distributors are doing with this surplus milk.

MISS JAFFRAY:

Has the farmer any other way of disposing of his milk production except through the distributors?

DR. HOWE:

In some places he sells directly to the consumer, but as a rule only in small communities. The cooperative plan seems most satisfactory to the farmers if they are organized into strong cooperatives. The cooperative milk association composed of the farmers supplying St. Paul and Minneapolis sells nothing but fluid milk to the distributors. This cooperative built its own plant for manufacturing butter and other products from the surplus milk produced by its members.

MISS JAFFRAY:

In our radio talks, Dr. Howe, you said that milk production has been increasing while milk consumption has been decreasing.

DR. HOWE:

Unemployment and reduced incomes have cut down the consumption of milk.

MISS JAFFRAY:

And yet in many places the price of milk has remained high.

DR. HOWE:

That is true.

MISS JAFFRAY:

I think it is most important that women investigate the system of distributing milk in their town.

DR. HOWE:

You are right, Miss Jaffray. It is necessary to look into distribution if you want to find out whether you are getting milk at a reasonable price and whether the farmer is being paid fairly for his production.

MISS JAFFRAY:

Hasn't the Secretary of Agriculture Wallace advanced the idea of making milk a public utility?

DR. HOWE:

Yes. He has questioned whether milk should not be made a public utility just as water, gas and electricity. Milk is vital to the health of children. Grown ups need it also. When you think of having a surplus milk production in this country and children suffering from the want of it, you wonder if something cannot be done to place milk within the reach of all.

MISS JAFFRAY:

We must go after this problem of milk. Let me sum up the things the women can do:

Get the organized groups of women together in your town and have them select a committee that will make a complete study of the milk question.

Find out if the price of milk is too high. If it is, find out why.

Look into the system of distribution.

Look into the matter of grades. Find out whether you are getting your money's worth when you pay extra for the first grade.

Find out whether the farmers supplying milk to your town through distributing companies are getting a fair price.

Find out whether you are paying excessive prices for cream.

Study and discuss this idea of making milk a public utility and the suggestion that we have municipal control of milk distribution.

Use your organized strength as consumers to help solve the milk problem.

DR. HOWE:

That's a fine program, Miss Jaffray. The Consumers' Counsel and the Agricultural Adjustment Administration will help.

ANNOUNCER:

You have been listening to Miss Julia K. Jaffray, Chairman of the Public Welfare Division of the General Federation of Women's Clubs and Dr. Fred C. Howe, Consumers' Counsel of the Agricultural Adjustment Administration discuss the things the women can do to bring about fairer milk prices for the consumers and the farmers. Dr. Howe and officers of the General Federation of Women's Clubs discuss problems of interest to the consumers in a weekly broadcast by the National Broadcasting Company and its associated stations every Thursday afternoon at this time. If you have any questions or suggestions to offer, write the Federation at its Washington headquarters.

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